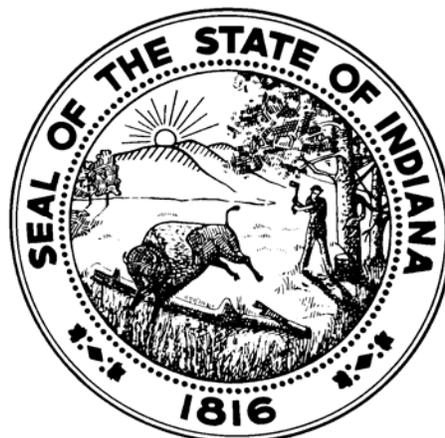


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
JACKSON TOWNSHIP  
PUTNAM COUNTY, INDIANA  
January 1, 2003 to December 31, 2005



**FILED**  
12/11/2006



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report .....	3
Schedules of Receipts, Disbursements, and Cash and Investment Balances.....	4
Notes to Schedules .....	5
Examination Results and Comments:	
Payroll Deductions .....	6
Certified Report Not Filed .....	6
Disbursement Documentation .....	6
Exit Conference .....	7

OFFICIALS

Office

Official

Term

Trustee

David E. Berry

01-01-03 to 12-31-06

Chairman of the  
Township Board

Forest Knapp  
Scott Turner

01-01-03 to 12-31-03  
01-01-04 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF JACKSON TOWNSHIP, PUTNAM COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Jackson Township (Township), for the period of January 1, 2003 to December 31, 2005. The Township's management is responsible for the schedules. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the schedule of receipts, disbursements, and cash and investment balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedules referred to above present fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2003, 2004, and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

September 28, 2006

JACKSON TOWNSHIP, PUTNAM COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 21,432	\$ 7,393	\$ 12,508	\$ 16,317
Dog	473	224	173	524
Township Assistance	7,664	714	1,953	6,425
Totals	<u>\$ 29,569</u>	<u>\$ 8,331</u>	<u>\$ 14,634</u>	<u>\$ 23,266</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 16,317	\$ 25,088	\$ 11,736	\$ 29,669
Dog	524	280	224	580
Township Assistance	6,425	5,671	1,683	10,413
Rainy Day	-	707	212	495
Totals	<u>\$ 23,266</u>	<u>\$ 31,746</u>	<u>\$ 13,855</u>	<u>\$ 41,157</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 29,669	\$ 16,629	\$ 10,846	\$ 35,452
Dog	580	200	280	500
Township Assistance	10,413	3,695	-	14,108
Rainy Day	495	-	-	495
Totals	<u>\$ 41,157</u>	<u>\$ 20,524</u>	<u>\$ 11,126</u>	<u>\$ 50,555</u>

The accompanying notes are an integral part of the schedules.

JACKSON TOWNSHIP, PUTNAM COUNTY  
NOTES TO SCHEDULES

Note 1. Introduction

The Township was established under the laws of the State of Indiana. The Township provides the following services: health and social services and general administrative services.

Note 2. Fund Accounting

The Township uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Township in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Township to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

JACKSON TOWNSHIP, PUTNAM COUNTY  
EXAMINATION RESULTS AND COMMENTS

PAYROLL DEDUCTIONS

Wages were paid at the proper rate; however, the payments were made without payroll deductions for taxes. Employees did not receive Wage and Earnings Statements (Form W-2). The Township did not report wages paid to the federal government on Employer's Quarterly Federal Tax Return (Form 941).

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CERTIFIED REPORT NOT FILED

The Township did not file a Certified Report of Names, Addresses, Duties, and Compensation of Officers and Employees (Form 100-R or its equivalent) with the State Board of Accounts for the years 2003 or 2005.

Indiana Code 5-11-13-1 states in part: "Every . . . township . . . shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and business addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts."

DISBURSEMENT DOCUMENTATION

Fifteen disbursements were tested. The following deficiencies were noted:

1. The Trustee paid sales tax on two invoices.
2. One township assistance application (Form TA-1) was not signed by the applicant.
3. One township assistance application did not have the vendor invoice attached, the Townships' normal filing method.
4. The Trustee did not present the 2004 township assistant applications and vendor invoices for 2004.

Due to the lack of supporting information, the validity and accountability for some monies disbursed could not be established.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

JACKSON TOWNSHIP, PUTNAM COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on September 28, 2006, with David E. Berry, Trustee. The official concurred with our findings.